

VZCZCXYZ0011
PP RUEHWEB

DE RUEHTV #2504/01 2290941
ZNR UUUUU ZZH
P 170941Z AUG 07
FM AMEMBASSY TEL AVIV
TO RUEHC/SECSTATE WASHDC PRIORITY 2819
RHEHAAA/WHITE HOUSE WASHDC PRIORITY
RHEHNSC/WHITE HOUSE NSC WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RUEAHQA/HQ USAF WASHINGTON DC PRIORITY
RUEADWD/DA WASHDC PRIORITY
RHMFIUU/CNO WASHINGTON DC PRIORITY
RHEFDIA/DIA WASHINGTON DC PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY
RUEHAD/AMEMBASSY ABU DHABI PRIORITY 2603
RUEHAS/AMEMBASSY ALGIERS PRIORITY 9314
RUEHAM/AMEMBASSY AMMAN PRIORITY 2681
RUEHAK/AMEMBASSY ANKARA PRIORITY 3406
RUEHLB/AMEMBASSY BEIRUT PRIORITY 2638
RUEHEG/AMEMBASSY CAIRO PRIORITY 0619
RUEHDM/AMEMBASSY DAMASCUS PRIORITY 3370
RUEHLO/AMEMBASSY LONDON PRIORITY 0240
RUEHFR/AMEMBASSY PARIS PRIORITY 0705
RUEHRB/AMEMBASSY RABAT PRIORITY 7297
RUEHRO/AMEMBASSY ROME PRIORITY 4726
RUEHRH/AMEMBASSY RIYADH PRIORITY 9632
RUEHTU/AMEMBASSY TUNIS PRIORITY 3796
RUCNDT/USMISSION USUN NEW YORK PRIORITY 5740
RUEHJM/AMCONSUL JERUSALEM PRIORITY 7685
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY
RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY
RHMFIUU/COMSIXTHFLT PRIORITY

UNCLAS TEL AVIV 002504

SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XXXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

SIPDIS
E.O. 12958: N/A
TAGS: [OPRC](#) [KMDR](#) [IS](#)

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

[1](#)1. US Aid to Israel

[1](#)2. Mideast

Key stories in the media:

Ha'aretz quoted Under Secretary of State for Political Affairs

Nicholas Burns as saying on Thursday that the new USD 30-billion defense package for Israel is not conditioned on diplomatic progress or concessions to the Palestinians.

The Jerusalem Post reported that Israeli and US officials are discussing what military equipment Israel can buy and Saudi Arabia cannot, in order for Israel to retain its qualitative military edge. The newspaper reported that U/S Burns discussed details of the issue with Defense Minister Ehud Barak and other senior Israeli officials.

Ha'aretz quoted Israeli defense industry officials as saying on Thursday that the lack of consistent funding may leave the home front open to rocket and missile threats from neighboring countries. In particular, the officials were quoted as saying that they were concerned about the absence of regular government funding for the Iron Dome missile interception project.

Ha'aretz reported that GOI sources in Jerusalem told the newspaper this week that talks between PM Ehud Olmert and PA Chairman [President] Mahmoud Abbas are stuck on the issue of the Palestinian refugee problem. The sources were quoted as saying that Abbas is refusing to make significant concessions.

Ha'aretz quoted Syrian cabinet minister Buthaynah Shaaban as saying in an interview with the Arabic-language BBC that Syria does not want war. Ha'aretz reported that Arab sources in Israel told the newspaper on Thursday that family members in Syria say that the street is preparing for war, and that rumors of war are flying. Ha'aretz quoted Hassan Fadlallah, a representative of Hizbullah in the Lebanese parliament, as saying in Thursday that his organization "is not looking for war and does not want war." However, Lebanese residents told Ha'aretz that there was concern there about a regional war. Maariv cited the London-based Al-Quds Al-Arabi as saying that Hizbullah owns weapons of mass destruction. In an interview with Yediot, Strategic Affairs Minister Avigdor Lieberman advocated the destruction of Syria's infrastructure and the elimination of its will to fight "as the US did to Germany."

Makor Rishon-Hatzofe reported that Jibril Rajoub, Special Adviser to Abbas on internal Palestinian affairs, will negotiate with Hamas. The Jerusalem Post reported that on Thursday members of Hamas's Executive Force detained PA Attorney General Ahmed al-Mughni on suspicion of conspiring to smuggle files of Palestinians involved in financial corruption and murder.

Makor Rishon-Hatzofe reported that Hamas will receive royalties from the purchase by Israel of natural gas from the British company BG.

The Jerusalem Post reported that American Jewish organizations are worried that changes to a special visa program for religious workers could prevent hundreds of Israelis from coming to the US and leave vital religious jobs unfilled.

All media reported on the influence of the recent financial meltdown in world financial markets on Israel. The media cited the prediction of experts that shares on the Tel Aviv Stock Exchange will rise again in the shorter or the longer term.

The Jerusalem Post quoted senior leaders of several US Jewish groups as saying on Thursday that the Sudanese refugees seeking asylum in Israel are creating a rift between Diaspora organizations and the GOI.

CNN chief international correspondent Christiane Amanpour, who is preparing a series on religious extremists -- "God's Warriors" --, was quoted as saying in an interview with Yediot that the wild fringes have become the world's political center. She was also quoted as saying that the Jewish faith has kindled the Muslim world.

Leading media reported that on Thursday the Task Force on Human Trafficking held a protest in front of Ha'aretz offices, claiming that the newspaper was continuing to publish advertisements encouraging human trafficking.

Israel Plans New Financial Incentives to Lure Back Citizens Living Abroad. Yediot reported that the state plans to grant significant

financial advantages to returning Israelis.

The Jerusalem Post quoted the World Jewish Congress as saying on Thursday that the organization has approved Michael Schneider as its next secretary general. He will replace Stephen E. Herbits on September 10.

The Jerusalem Post quoted officials as saying on Thursday that an American evangelist and his wife -- Ron and Carol Cantrell -- who have been living in Israel for nearly two decades have been ordered to leave the country within two weeks, after their request for permanent residency was turned down.

Ha'aretz reported that its panel of experts examining the upcoming US presidential elections in light of US-Israel relations considers former New York Mayor Rudolph Giuliani the candidate most supportive of Israel. The panel also rates Sen. Hillary Rodham Clinton and current New York Mayor Michael Bloomberg as good for Israel.

1. US Aid to Israel:

Summary:

Diplomatic correspondent Herb Keinon wrote in the conservative, independent Jerusalem Post: "Beyond the state-of-the-art weaponry that Israel will be able to buy with USD 30 billion, the package sends a message to both Israel and its enemies that on this matter, the US very much means what it says."

Block Quotes:

"A USD 30-Billion Signal of Unshakable Support"

Diplomatic correspondent Herb Keinon wrote in the conservative, independent Jerusalem Post (8/17): "Even with the Saudi deal ... the US security commitment to Israel that the deal demonstrates is unmistakable and is based on two premises that have been mainstays in Washington since the Reagan Administration. The first premise is

that Israel will only make moves for peace -- take risks for peace -- if it feels that its security is ensured. And the other premise is that the Arab world will only come around to recognizing Israel as a given in the region if it realizes that the US will never abandon it.... Beyond the state-of-the-art weaponry that Israel will be able to buy with USD 30 billion, the package sends a message to both Israel and its enemies that on this matter, the US very much means what it says."

2. Mideast:

Summary:

Diplomatic correspondent Ben Caspit wrote in the popular, pluralist Maariv: "Core issues are not a final-status agreement -- far from it."

The conservative, independent Jerusalem Post editorialized: "A peace process that is treated as an end in itself, rather than as a part of a comprehensive strategy to defeat the sources of Islamic radicalism in the region, could actually serve Iranian ends."

Block Quotes:

I. "Hot Air"

Diplomatic correspondent Ben Caspit wrote in the popular, pluralist Maariv (8/17): "[Because of the soon to be released conclusions of the Winograd Commission], it is certain that 2008 will be an election year. This is precisely why, more than at any time in the past, Ehud Olmert needs an agenda, a plan, something that will bring hope -- allowing him to stay in power after the Jewish holidays [September-October]. This situation is fueling the engine of peace.... [Olmert's] ambition is to reach an agreement on core issues with Abu Mazen around the expected November meeting. He has been speaking with Abbas about core issues for a long time. The problem is that core issues are not a final-status agreement -- far from it. They are a linguistic trick that will allow each side to understand what it wants and continue. In fact this is a lot of hot air blown by two leaders who wish to be lifted up."

II. "Don't Forget the Core Problem"

The conservative, independent Jerusalem Post editorialized (8/17): "Prime Minister Ehud Olmert reportedly told a visiting US Congressional delegation this week that he has been discussing the broad parameters of 'core issues' with Palestinian Authority Chairman Mahmoud Abbas. Presumably, the two leaders are trying to agree on a set of principles for a permanent peace accord that would be endorsed by the regional conference in the US in November called by President George W. Bush. There is a strong whiff of unreality to all this. Olmert has the sword of Winograd hanging over him.... Abbas is widely considered ineffectual even in the West Bank and is now, despite being ignominiously ousted by Hamas in Gaza, talking of a 'return to national unity' with those openly sworn to Israel's destruction.... A peace process that is treated as an end in itself, rather than as a part of a comprehensive strategy to defeat the sources of Islamic radicalism in the region, could actually serve Iranian ends by distracting the West and giving the mullahs more time to advance their nuclear programs. The same goes for arms transfers to American quasi-allies in the Gulf. Such measures dance around the periphery of the problem, and will not of themselves be sufficient to address its core. By some combination of economic, diplomatic, military, and internal pressures, Iran must be forced to back down. Olmert may be discussing 'core issues' in the Palestinian context, but without serious pursuit of this core agenda, no initialed principles will have a chance of becoming reality."

JONES